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Russian Federation

Trade Policy Monitoring

Domestic Leg Quarter Prices Grow Again in November

2003

Approved by:

Allan Mustard
American Embassy, Moscow

Prepared by:

Mark Petry and Mikhail Maximenko

Report Highlights:

The Russian Statistics Committee reported that overall price growth for food products was 1.2 percent in November 2003. Domestic chicken leg quarter prices increased by seven percent in November, while imported chicken leg quarter prices were flat. With that change, the price premium for domestic chicken leg quarters returned to the long-term trend of about 30 percent above imported leg quarter prices. Domestic beef prices grew slightly in November after decreasing in October, while imported beef became less expensive. Both imported and domestic pork prices fell in November.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Moscow [RS1]
[RS]

Prices on domestic poultry frozen carcasses and boneless breasts decreased in November, while prices for the popular imported chicken leg quarters were flat. The price for domestic leg quarters grew by almost 6.8 percent. The gap between prices on domestic and imported chicken leg quarters returned to about 30 percent. Prices for the more expensive poultry cuts decreased in each area.

Table 1. Moscow Wholesale Poultry Meat Prices, January – November 2003

Date	Exchange Rate, ruble/\$	Domestic chicken			Imported chicken		
		Frozen carcasses	Frozen breast, boneless	Frozen leg quarters	Frozen carcasses	Frozen breast, boneless	Frozen leg Quarters
01/30/2003	31.80	42.81	58.28	47.05	38.55	55.47	34.69
02/28/2003	31.58	42.32	56.28	41.16	40.81	54.89	35.04
03/30/2003	31.38	41.68	55.17	42.27	42.15	54.15	34.92
04/30/2003	31.10	41.77	55.67	44.50	41.90	56.38	34.42
05/30/2003	30.67	43.93	57.62	45.00	43.76	62.17	39.55
06/30/2003	30.35	49.07	59.32	49.50	48.27	73.08	39.77
07/30/2003	30.25	53.55	78.00	50.83	55.78	81.69	41.76
08/30/2003	30.50	59.04	99.67	59.62	59.09	101.00	44.81
09/30/2003	30.61	59.96	108.00	61.09	58.58	107.77	45.45
10/30/2003	29.82	58.77	105.50	57.23	58.21	103.48	47.08
11/30/2003	29.74	57.96	101.00	61.13	56.42	95.08	47.11

Source: Russian Institute for Agricultural Market Studies (IKAR)

Prices are in rubles per kilogram.

Domestic beef prices grew slightly after decreasing in October 2003, while imported beef prices decreased by 5.5 percent. Pork prices decreased for both domestic and imported product.

Table 2. Wholesale Prices, Offer Price, January – November 2003

Date	Exchange rate, ruble/\$	Domestic beef	Imported beef	Domestic pork	Imported pork
01/30/2003	31.80	50.17	48.40	48.75	45.50
02/28/2003	31.57	51.17	49.95	44.75	46.14
03/30/2003	31.38	48.67	48.01	40.37	44.90
04/30/2003	31.10	48.00	46.35	40.25	44.62
05/30/2003	30.66	48.00	48.52	41.02	48.45
06/30/2003	30.34	47.00	49.45	42.51	49.00
07/30/2003	30.24	49.00	49.30	42.39	49.11
08/30/2003	30.50	49.00	49.57	43.50	51.83
09/30/2003	30.61	58.00	52.75	51.33	61.60
10/30/2003	29.82	51.17	54.81	52.00	60.93
11/30/2003	29.74	52.38	52.31	50.75	55.53

Source: Russian Institute for Agricultural Market Studies (IKAR)

Prices are in rubles per kilogram.

Higher rates of pig and cattle slaughter due to winter feed constraints will prevent prices from moving higher in the near term. Higher beef and pork TRQ volumes announced for 2004 will also have a dampening effect on prices. (See GAIN report #RS3050)